

Oral Questions

My supplementary question is addressed to the Prime Minister. In view of the fundamental question of credibility with regard to this issue is the Prime Minister prepared to appear before the House of Commons Standing Committee on Justice and Legal Affairs and answer all questions, under oath, and bring with him all relevant documents concerning this important decision?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, for the benefit of hon. colleagues I would like to explain that the initial decision to build this penitentiary was given by Treasury Board on February 23, 1984, well before we were even in office.

Mr. Turner (Vancouver-Quadra): Where?

Mr. Broadbent: In what location?

Mr. de Cotret: Treasury Board Decision No. 791796—

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Hon. Member for York-Scarborough.

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BANKS AND BANKING

CONTINENTAL BANK—ACQUISITION BY LLOYD'S BANK CANADA

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, my question is for the Minister of State for Finance. It was announced yesterday that Lloyds Bank Canada would be acquiring the operations of the Continental Bank. Since the 10 per cent maximum foreign ownership limitation on Schedule A banks has no effect, because a foreign owned Schedule B bank is the purchaser, and since the Government has not yet published its comprehensive ownership position on financial institutions, will the Minister seek a commitment from Lloyds similar to that obtained from Inasco which consented, in advance, to obey any restrictions on ownership announced in the future?

• (11:40)

Hon. Tom Hockin (Minister of State (Finance): Mr. Speaker, I know the House is as pleased as I am with the increasing health and stability of our financial system. Of course this deal is vivid illustration of the world-wide confidence which is held in the Canadian banking system. I think it is clear to all Members of the House that because of this deal customers and depositors will be well served. The international service which will be delivered will be second to none. In answer to the Hon. Member's question, we have a ceiling on how far Schedule B banks can grow, and that answers any particular concerns he may raise.

[*Translation*]

REGIONAL ECONOMIC EXPANSION

REQUEST FOR CLARIFICATION CONCERNING PROJECT TO MOVE DRUMMOND III PENITENTIARY

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Right Hon. the Prime Minister, and I would ask him not to hide behind his Ministers and to have the courage to stand up.

I would like the Prime Minister to tell me how he can justify the irresponsible decision he made—nonwithstanding sound advice to the contrary and regardless of the additional expenditures involved—to switch the Drummond III penitentiary project to his own riding.

Right Hon. Brian Mulroney (Prime Minister): As I had the opportunity to indicate in other circumstances, Mr. Speaker, it was a decision made by the Government of Canada, the duly elected Government. As other governments have done in other circumstances, this Government decided to build federal facilities in remote regions of the country, particularly those which are hard hit by very high unemployment. Therefore I consider that the decision of the Government of Canada, faced with the situation in Port-Cartier where the unemployment rate was about 37 or 38 per cent, if I am not mistaken, and where the community has suffered great economic hardship, I consider that it was, in my view, a wise decision consistent with our traditions which dictate that Government decisions take the regional economic expansion factor into consideration.

GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): A supplementary question, Mr. Speaker. The Prime Minister is saying that the decision had to do with regional economic expansion. Does it mean that other penitentiaries will be built in Newfoundland? The Prime Minister is telling us that it was a Government decision. How can he reconcile his remarks with those of his Minister of nothing who stated that it had been his personal decision, that neither the Prime Minister nor the Government had anything to do with it, that he took full responsibility for it? Here is what I want to know from the Prime Minister: Can he stand up and justify his decision to waste another \$15 million, plus \$3 million more every year?

[*English*]

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, as the Prime Minister has already stated, this was a government decision. We always take into consideration, in making government decisions, socio-economic conditions and regional disparities throughout the country. This has been the practice of Governments since Confederation. It is the practice of this Government, and I know it will continue to be the practice and consideration of Governments for the next many years to come. We make no apologies for trying to relieve economic disparity in the country.